



SECTION 3
MUNICIPAL AND INDUSTRIAL WATER USE ECONOMICS

MUNICIPAL AND INDUSTRIAL ECONOMICS

The municipal and industrial economics analysis is based upon the Average-Average tiered pricing scenario. This analysis is based upon the impacts to CVP contractors. This is different than the municipal and industrial economic analysis that was included in the PEIS.

The PEIS municipal and industrial water cost analysis primarily evaluated the impacts on the need and cost to transfer water to non-CVP municipalities. Therefore, the analysis included water costs for many non-CVP water users. For example, the municipality in the San Joaquin River Basin was based upon the Cities of Stockton and Fresno water costs which are not based on CVP water, as described in the Municipal Water Costs Methodology and Modeling Technical Appendix to the PEIS.

The analysis included in the following table is based only on CVP contractors in order to define the cost of CVP water under the Tiered Water Pricing proposal.

TABLE 28

SUMMARY OF M&I ECONOMICS ANALYSIS FOR AVERAGE YEAR CONDITIONS FOR REGIONAL ECONOMICS

Result	Preferred Alternative Average	Change from the Preferred Alternative Average		
		Average-Average	Dry-Average	Wet-Average
Average Condition				
Supplies, 1,000 acre-feet (1)				
Sacramento Valley	929.0	0.0	0.0	0.0
Bay Area	1024.0	0.0	0.0	0.0
San Joaquin Valley	704.0	0.0	0.0	0.0
Central and South Coast	5921.0	0.0	0.0	0.0
Average Condition				
Economic Costs, Million \$ (2)				
Sacramento Valley	1.1	4.1	4.3	4.1
Bay Area	3.5	4.6	4.6	4.6
San Joaquin Valley	0.3	5.2	5.2	5.2
Central and South Coast	649.0	0.0	0.0	0.0
<p>NOTES:</p> <p>Water transfers not considered as replacement supplies in this comparison.</p> <p>(1) After purchase or development of non-transfer replacement supplies to make supply equal demand.</p> <p>(2) Total costs include replacement supplies, restoration payments and metering. A negative cost means a net gain is estimated.</p>				